

2008 Instructions for Form 990 (Core Form)

Part III Statement of Program Service Accomplishments

Part III requires reporting regarding the organization's program services and exempt purpose achievements. A program service is an activity of an organization that accomplishes its exempt purpose. Examples of exempt purpose achievements may include providing charity care under a hospital's charity care policy, providing higher education to students under a college's degree program, making grants or providing assistance to individuals who were victims of a natural disaster, and providing rehabilitation services to residents of a long-term care facility. Do not report a fundraising activity as an exempt purpose achievement unless it is substantially related to the accomplishment of the organization's exempt purposes (other than by raising funds).

Line 1. Mission. Describe the organization's mission as articulated in its mission statement or as otherwise adopted by the organization's **governing body**, if applicable. If the organization does not have a mission that has been adopted by its governing body, state "None."

Line 2. New program services. Answer "Yes" if the organization undertook any new significant program service activities during the tax year that were not described in the prior year's Form 990 or Form 990-EZ. Describe these items in Schedule O. If any are among the activities described in Form 990, Part III, line 4, the organization may reference the detailed description in line 4.

Line 3. Changes in program services and discontinued activities. Answer "Yes" if the organization made any significant changes during the year in how it conducts its program service activities to further its exempt purposes, or if the organization ceased conducting significant program services that had been conducted in a prior year. Describe these items in Schedule O.

Lines 4a-4c. Exempt purpose achievements. All organizations must describe their achievements for each of their three largest program services, as measured by total expenses incurred. If there were three or fewer of such activities, describe each program service activity. The organization may report in Schedule O additional activities that it considers of comparable or greater importance although smaller in terms of expenses incurred (such as activities conducted with volunteer labor).

Code. For the 2008 tax year, leave this blank.

Expenses and grants. For each program service reported, section 501(c)(3) and (4) organizations and section 4947(a)(1) trusts must enter the total expenses included in Part IX, line 25, column (B), and the total grants and allocations (if any) included within such total expenses that were reported on lines 1 through 3, column (B) of Part IX. For all other organizations, entering these amounts is optional.

Revenue. For each program service activity, report any revenue derived directly from the activity, such as fees for services or from the sale of goods that directly relate to the listed activity. This revenue includes program service revenue reported in Part VIII, line 2, column (A), and includes other amounts reported in lines 3 through 11 of Part VIII as related or exempt function revenue. Also include **unrelated business income** from a business that exploits an

exempt function, such as advertising in a journal. For this purpose, charitable contributions and grants (including the charitable contribution portion, if any, of membership dues) reported in line 1 of Part VIII are not considered revenues derived from program services.

Description of program services.

- Describe program service accomplishments through specific measurements such as clients served, days of care provided, number of sessions or events held, or publications issued.
- Describe the activity's objective, for both this time period and the longer-term goal, if the output is intangible, such as in a research activity.
- Give reasonable estimates for any statistical information if exact figures are not readily available. Indicate that this information is estimated.
- Be clear, concise, and complete in the description. Use Schedule O if additional space is needed.

Donated services. The organization may report the amount of any donated services, or use of materials, equipment, or facilities it received or used in connection with a specific program service, on the lines for the narrative description of the appropriate program service. However, do not include these amounts in revenue, expenses, or grants reported in lines 4a through 4e, even if prepared in accordance with **generally accepted accounting principles**.

Public interest law firm. A public interest law firm exempt under section 501(c)(3) or (c)(4) must include a list of all the cases in litigation or that have been litigated during the year. For each case,

- describe the matter in dispute,
- explain how the litigation will benefit the public generally, and
- state the fees sought and recovered

See Rev. Proc. 92-59, 1992-2 C.B. 411.

Other program services. List in Schedule O the organization's other program services, and report the total revenue derived directly from these other program services.

- The detailed information required for the three largest program services need not be provided for these other program services.
- Section 501(c)(3) and (4) organizations, and section 4947(a)(1) trusts, must report the total expenses and the total grants and allocations reported in Part IX, column (B) that are attributable to these other program services in line 4d, and the total program service expenses from lines 4a through 4d in line 4e. The line 4e amount must equal the amount reported in Form 990, Part IX, line 25, column (B). For all other organizations, entering these amounts is optional.